(figures in million pieces)

| Name of the Press | Capacity | RBI's requirement of fresh notes |
|---|---|---|
| Bank Note Press, Dewas. | 1875 | 16,200 |
| Currency Note Press, Nashik. | 4000 | |

Besides, RBI is setting up two more note printing presses, one at Salboni in West Bengal and other at Mysore in Karnataka. When fully commissioned by the end of 1999, their production capacity will be 9900 million pieces per annum.

(b) and (c) During 1996-97, production of notes in Bank Note Press, Dewas was 1810 million pieces and in Currency Note Press, Nashik, it was 3336 million pieces. The Government has taken up modernisation of these Presses to replace old machines.

(d) and (e) The Government has authorised RBI to import bank notes of Rs. 100 and Rs. 500 denominations, of a total value of Rs. 1,00,000 crores, as a one time measures, to tide over the present shortage situation. The total CIF cost of imported notes willbe US $ 95.28 millions.

(f) Yes, sir.

(g) BNP/CNP modernisation has been taken up at an estimated cost of Rs. 536.02 crores. The modernisation programme will be completed by the of 1998. After completion of the modernisation, the annual production capacity of BNP will be increased from 1875 million pieces to 2904 million pieces and that of CNP, from 4000 million pieces to 5400 million pieces.

**Reservation Policy of SSI**

502. SHRI NAWAL KISHORE RAI:

*SHRI NITISH KUMAR:*

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Sub-committee constituted under the chairmanship of Shri Sabestian Maurice of Indian Institute of Management, Ahmedabad, has recommended the abolition of reservation policy for small-scale industries;

(b) if so, the recommendations of the said sub-committee;

(c) whether the Government have also taken certain decisions after making study of these recommendations; and

(d) if so, the details of the said decisions and the reaction of the Government in regard to the abolition of reservation policy for existing small scale industries?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (d) The Sub-Committee constituted under the Chairmanship of Shri Sabestian Maurice of Indian Institute of Management, Ahmedabad has not recommended abolition of the Reservation Policy for Small Scale Sector as this aspect was not part of the terms of reference of the Sub-Committee. The terms of reference of the Sub-Committee were confined to issues relating to finance, credit and sickness.

*[Translation]*

**Special Items for SSI**

503. SHRIMATI KETAKI DEVI SINGH: Will the Minister of INDUSTRY be pleased to state:

(a) whether there is any proposal under consideration of the Government to give the rights of production of some special items to small scale industries;

(b) if so, the details thereof; and

(c) by when a final decision likely to be taken in this regard?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (c) Government has already given adequate rights of production of special items to small scale industries under its policy of reservation. At present 821 items are reserved for exclusive production in the Small Scale Sector. Reservation/dereservation of items is a continuous process and is being reviewed periodically by the Advisory Committee on Reservation constituted by the Government under the Industries (Development & Regulation) Act, 1951. This Committee meets at regular intervals and recommends to the Government items to be added to and deleted from the list.

**Smuggling through Bangladesh**

504. SHRI BHAGWAN SHANKAR RAWAT: Will the Minister of FINANCE be pleased to state:

(a) whether the incidents of smuggling into the country though Bangladesh has come to light;

(b) if so, the details thereof;

(c) whether the Bangladesh Government has accepted this fact; and

(d) if so, the steps taken to check such incidents?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Yes, a large number of cases of smuggling through Indo-Bangladesh border has been detected. The details of seizures made during the last 3 years are given below:

| Year | Value of Seizure (Rs. in lakhs) |
|---|---|
| 1994-95 | 3115.63 |
| 1995-96 | 3228.74 |
| 1996-97 | 2782.12 |

(c) and (d) The matter has been discussed with officials of Bangladesh Govt. and both sides have agreed to cooperate in checking smuggling activities and share intelligence in this regard. Further, field formations are alert to check smuggling across Indo-Bangladesh border.

*[English]*

**Smart Cards**

505. SHRI MANIKRAO HODLYA GAVIT: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have any plan to introduce Smart Cards to replace the notes in day to day money transaction to reduce the pressure on printing and circulation of currency notes; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) No, Sir.

(b) Does not arise.

*[Translation]*

**Profit and Loss of LIC**

506. SHRI THAWAR CHAND GEHLOT: Will the Minister of FINANCE be pleased to state:

(a) the details of loss and profit of the Life Insurance Corporation of India during 1994-95, 1995-96 and 1996-97;

(b) whether the expenditure on establishment and ancilliary expenses on organising function by the L.I.C. has been mounting during the last three yars;

(c) whether the Government is contemplating to hike the bonus for policy holders of the LIC;

(d) if so, since when; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Life Insurance Corporation (LIC) of India have reported that due to long term nature of insurance contracts and the uncertainty associated with future experience regarding deaths, expenses and interest earning the profit and loss for a particular year is not prepared like a trading or manufacturing firms, etc. However, valuing actuary determines 'surplus' every year based on prudent assumptions as to mortality, expenses and interest in the light of past experience.

The surplus declared in the Financial years 94-95 and 95-96 is as under:-

| Valuation as at (Surplus) | Rs. |
|---|---|
| 31.3.1995 | 3218.87 Crs. |
| 31.3.1996 | 3433.93 Crs. |

For 1996-97 the surplus has not been declared so far.

(b) No, Sir.

(c) to (e) Bonus is declared by the LIC on the basis of valuation surplus available at the end of the financial year. The valuation surplus for the financial year 1996-97 has not been determined so far.

*[English]*

**Foreign Assistance to Madhya Pradesh**

507. SHRI CHHATAR SINGH DARBAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have approved foreign assistance for some development projects in Madhya Pradesh;

(b) if so, the details thereof; and

(c) the amount proposed to be spent on those projects?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) and (c) As per the Statement attached.

**Statement**

*On-going/approved externally aided projects in Madhya Pradesh*

| S.No. | Name of the Project | Donor | Total Project Cost | External Aid |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |
| | **On-going projects** | | | |
| 1. | Indore Slum Improvement | UK | Rs. 34.54 crore | Pds. 14.4 million |
| 2. | Rewa Hospital | OPEC | Rs. 57.56 crore | US $ 10 million |
| 3. | MP Forestry | WB | US $ 67.3 million | US $ 58 million |
| 4. | Eco. Development Project* | WB | US $ 67 million | US $ 48 million |